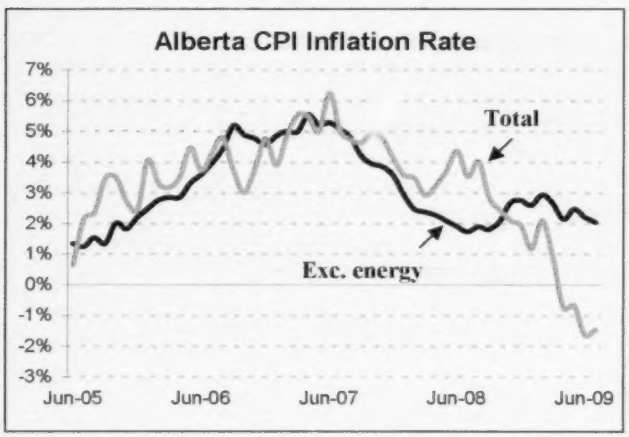
Consumer Price Index

Energy prices continue to drive down inflation…

Alberta's year-over-year CPI inflation rate was -1.5% in July, the province's fourth consecutive month of price declines. As in previous months, the province did not experience widespread deflation; energy prices were simply coming down from the unusually high levels seen last summer. Compared to July 2008, the price of gasoline was down 29.6%, while natural gas was 48.1% cheaper. Excluding energy (one of the most volatile components of CPI), Alberta's inflation rate was 2.0%.

Canadian prices were down 0.9% compared to July 2008, due to a 23.4% decline in the price of energy products. Excluding energy, the CPI rose 1.8% from last year.



International C$ Securities Transactions

Canada still popular among investors…

Strong foreign investment in Canadian securities continued in June, as non-residents purchased $10.5 billion of both equities and federal government bonds. In June, foreigners acquired $5.5 billion in government bonds, helping to end Q2 2009 with all-time high foreign investment.

Canadians, on the other hand, sold $1.9 billion in foreign bonds in June, as investors continued to divest themselves of US government debt.

Canadian Dollar (US¢/C$)	
August 21, 2009	92.60
August 14, 2009	91 15
2009-10 YTD	87.45
WTI Oil US$/bbl	
August 20, 2009	$ 72.54
August 13, 2009	$ 70.52
2009-10 YTD	$ 62.30
Nymex Natural Gas C$/MMBtu *	
Near-month Contract	
August 21, 2009	$ 3.19
August 14, 2009	$ 3.61

* Estimate based on Nymex Futures Market Price

Wholesale Trade

Wholesale activity remained anemic in June…

Wholesale trade in Alberta continued to decrease in June, as sales slipped 1.3% from May to $4.8 billion. Compared to June 2008, wholesale activity in the province was down 11.6%. Alberta had the second largest yearly decline among provinces, next to Saskatchewan (-22.4%).

Nationally, wholesale trade in current dollars rose 0.6%, the first increase in nine months. The rise was mainly due to gains in the automotive (3.3%), and food, beverages and tobacco products (1.8%) sectors.

US Economy

Housing news is somewhat encouraging…

In July, US housing starts slipped by 1.0 percent from June, coming in at a lower-than-expected 581,000 annualized units but remaining above earlier lows. Existing home sales fared much better in July, jumping 7.2% to a two-year high of 5.2 million annualized units.

But weak jobs data point to a sluggish recovery…

Initial jobless claims in the US rose to an unexpectedly high 576,000 last week, while continuing claims increased to 6.2 million, highlighting a persistently weak US labour market. A significant recovery in consumer spending, which accounts for 70 percent of US GDP, is seen as unlikely in the face of sustained job losses.

Alberta

CURRENT ECONOMIC INDICATORS

August 21, 2009

Overall Economy		2007	2008	2009YTD*	Feb	Mar	Apr	May	Jun	Jul
Real GDP (in 2002 $billions)		187.5	187.0	--	--	--	--	--	--	--
% change		3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)		258.9	291.7	--	--	--	--	--	--	--
% change		8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)		3,511	3,585	3,654	--	--	3,654	--	--	--
% change		2.6	2.1	2.6	--	--	2.7	--	--	--
Net Interprovincial Migraton[1] (level)		33,809	10,010	18,269	--	--	7,144	--	--	--
Net International Migration[1] (level)		16,136	19,283	13,179	--	--	4,175	--	--	--
Net Non-permanent Residents[1] (level)		13,539	17,890	17,557	--	--	4,626	--	--	--
Labour Market										
Employment (000's)		1,959	2,013	1,991	2,002	1,987	1,993	1,994	1,990	1,986
% change		4.7	2.8	-0.7	0.2	-1.0	-0.9	-1.1	-1.6	-1.6
Unemployment Rate (%)		3.5	3.6	6.0	5.4	5.8	6.0	6.6	6.8	7.2
Average Hourly Wage Rate		6.0	5.7	4.9	4.5	3.6	4.3	5.0	6.1	4.6
Average Weekly Earnings[2]		5.8	6.0	4.7	4.5	4.8	2.1	5.5	--	--
Labour Income[3]		11.3	8.4	4.0	3.9	3.0	--	--	--	--
Price Indices										
Consumer Price Index	NEW!	5.0	3.1	-0.1	2.1	0.9	-0.7	-0.7	-1.6	-1.5
Excluding food and energy		4.9	1.9	1.5	2.0	1.4	1.1	1.7	1.6	1.4
Non-Res. Const. Cost Index[4] (quarterly)	NEW!	17.3	13.2	-6.3	--	-1.0(Q1)	--	--	-11.3(Q2)	--
Farm Product Price Index		14.3	11.1	-6.6	-5.9	-4.7	-6.1	-12.0	--	--
Crops		41.4	26.3	-23.8	-22.0	-23.0	-25.4	-29.3	--	--
Livestock		0.7	2.1	10.4	12.4	17.5	12.3	-2.5	--	--
Household Sector										
Housing Starts (SAAR, 000's)		48.1	29.0	15.2	12.6	11.9	14.2	14.2	20.0	17.6
% change		-2.1	-39.7	-54.7	-62.4	-77.0	-53.3	-55.6	-12.7	-38.0
New Housing Price Index		22.5	0.7	-9.8	-9.6	-10.5	-10.7	-9.8	-9.8	--
Edmonton		32.1	1.0	-11.8	-12.2	-12.3	-12.5	-11.7	-11.7	--
Calgary		16.2	0.6	-7.8	-7.1	-8.7	-8.8	-7.9	-8.0	--
MLS Average Resale Prices		24.3	-1.4	-7.8	-9.2	-10.4	-6.8	-5.8	-4.6	--
Edmonton		34.3	-2.0	-6.5	-8.7	-10.1	-7.4	-4.2	-3.8	--
Calgary		18.7	-2.9	-9.7	-10.8	-11.3	-10.1	-8.7	-6.3	--
Retail Sales		9.3	-0.1	-10.9	-13.5	-13.8	-10.1	-10.5	--	--
New Motor Vehicle Sales		3.3	-7.3	-27.2	-35.4	-31.9	-24.4	-27.8	-21.8	--
Business Sector										
Public and Private Investment[5]		9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]		0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling		-35.2	-2.1	-48.2	-43.9	-60.8	-42.0	-39.2	-56.3	-66.2
Goods Exports (customs based)		5.3	33.2	-37.2	-30.2	-36.1	-39.8	-46.0	-39.7	--
Energy		4.4	40.9	-43.4	-35.1	-44.0	-47.2	-51.7	-43.0	--
Agriculture		9.8	28.6	-2.6	3.6	-3.9	6.9	-17.6	-10.8	--
Total Farm Cash Receipts (quarterly)		11.9	15.2	4.5	--	4.5(Q1)	--	--	--	--
Manufacturing Shipments		1.9	6.9	-20.7	-15.1	-13.9	-24.7	-27.7	-26.7	--
Wholesale Trade	NEW!	5.0	10.9	-9.2	-6.3	-4.4	-12.2	-20.9	-11.6	--
Building Permits		13.4	-16.5	-38.9	-66.9	-29.9	-40.9	-18.5	-25.0	--
Residential		10.7	-31.5	-48.5	-72.4	-38.9	-44.2	-49.1	-17.5	--
Non-residential		17.1	3.7	-29.7	-61.8	-20.7	-37.3	13.0	-30.9	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The April population estimate is also the 2009 year-to-date value.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Summer 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.5%***	-0.1%	0.9%	2.0%	-0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009	***-2.1%***	-3.4%	0.8%	0.3%	0.9%	-0.7%	-3.0%	0.8%	-2.7%	**-2.7%**	-2.5%
2010	***2.8%***	0.0%	2.2%	1.2%	2.8%	1.8%	3.1%	1.8%	3.5%	**3.3%**	3.4%
Population (As of April 1, 2009)											
Population	**33,592,686**	508,726	140,638	939,475	748,866	7,799,372	13,014,018	1,217,163	1,027,092	**3,653,840**	4,435,344
Annual Growth Rate[a]	***1.23%***	0.20%	1.19%	0.18%	0.26%	0.89%	1.02%	1.16%	1.49%	**2.71%**	1.70%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
1st Quarter (January 1, 2009 to March 31, 2009)		98	-66	-357	61	-2,016	-5,015	-181	545	**7,144**	-16
Employment											
Level Change (000s)[b]	**-347.1**	-8.2	-0.4	-5.7	-0.5	-46.7	-185.5	-1.4	11.4	**-32.2**	-78.0
Percent Change[b]	***-2.0%***	-3.4%	-0.5%	-1.2%	-0.1%	-1.2%	-2.7%	-0.2%	2.2%	**-1.6%**	-3.3%
Unemployment Rate, 2009 avg (SA)	***8.1***	15.2	12.2	9.0	9.0	8.4	8.9	4.9	4.7	**6.0**	7.3
Participation Rate, 2009 avg (SA)	***67.4***	59.1	67.7	64.5	64.8	65.4	67.4	69.3	70.4	**74.6**	65.9
Average Weekly Earnings											
May 2009	**820.38**	800.09	688.23	727.92	749.60	754.09	846.69	766.36	806.66	**948.62**	799.65
Y/Y Percent Increase[c]	***1.6%***	4.9%	3.9%	2.5%	3.5%	-0.8%	1.2%	1.9%	3.6%	**5.5%**	1.4%
2009 Wage Settlements NEW!										**4.7%**	
CPI Inflation											
July Annual NEW!	**-0.9%**	-0.9%	-1.3%	-1.0%	-0.4%	-0.3%	-1.2%	0.0%	0.9%	**-1.5%**	-1.6%
Excluding Shelter	**-0.6%**	-0.3%	0.7%	-0.3%	-0.3%	-0.3%	-1.1%	-0.4%	0.1%	**-0.2%**	-0.6%
Housing Starts (000s)											
SAAR July 2009	**132.1**	2.9	0.6	3.3	3.8	44.2	39.1	4.0	3.6	**17.6**	13.0
Retail Sales											
Percent Change[d]	**-6.1%**	1.7%	-2.5%	-3.9%	-1.8%	-5.4%	-4.8%	-4.8%	-5.3%	**-10.5%**	-8.6%
2009 YTD Retail Sales Growth	**-6.2%**	0.1%	-2.0%	-3.7%	-2.1%	-4.0%	-5.5%	-4.5%	-3.9%	**-10.9%**	-9.6%
Manufacturing Shipments											
Percent Change[d]	**-23.1%**	-42.2%	-18.7%	-20.2%	-33.4%	-16.5%	-26.4%	-9.6%	-9.0%	**-26.7%**	-17.4%

a. Over the past 12 months
b. July 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to May 2009
d. June 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada